



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Consideration by the City Council to purchase three parcels containing approximately 21 acres located at 1366-1460 E. Lodi Avenue from the Bank of Stockton, trustee for the Revolving Loan Fund of San Joaquin County and Melva L. Darnell.

**MEETING DATE:** March 18, 1998

**PREPARED BY:** Community Development Director

**RECOMMENDED ACTION:** That the City Council adopt the attached Resolution approving the purchase of three parcels located at 1366-1460 East Lodi Avenue and authorize the City Manager and City Clerk to execute all documents in connection with this purchase.

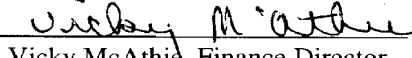
**BACKGROUND INFORMATION:** As the Council will recall, staff brought forward the idea of purchasing property for future industrial development back in October 1997. At that time, we had identified five parcels totaling approximately 40 acres. The intent of the purchase was to create logical development sites that then could be marketed as part of our expanding business attraction program. The parcels indicated were felt to be excellent candidates as they have been offered for sale for a number of years, are a difficult lot configuration, and lack any road access or utility infrastructure.

Pursuant to Council direction, staff made offers on the property with appropriate contingencies related to title reports, environmental clearance and appraisals. Two of the three property owners accepted our offer and the City entered into escrow on the subject properties in December 1997. Since that time, escrow has been proceeding with all contingencies placed on our offer now being met.

Funds in the amount of \$842,000 to purchase these parcels are being held in the Electric Utility Rate Stabilization Reserve Account. The purchase price for the property is \$40,000 per acre. In addition, \$2,000 is being paid to the Bank of Stockton for the cost of the Phase I Environmental and the City will pay for our share of all closing costs. Repayment of these funds to the Rate Stabilization Account will occur as the property is resold for development purposes.

**FUNDING:** Electric Utility Rate Stabilization Reserve  
Estimated Cost: \$848,175.00

Funding Available:

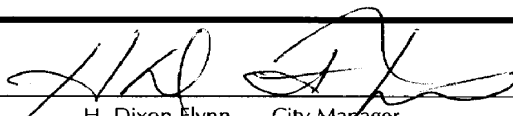
  
Vicky McAthie, Finance Director



Konradt Bartlam  
Community Development Director

KB/lw  
Attachment

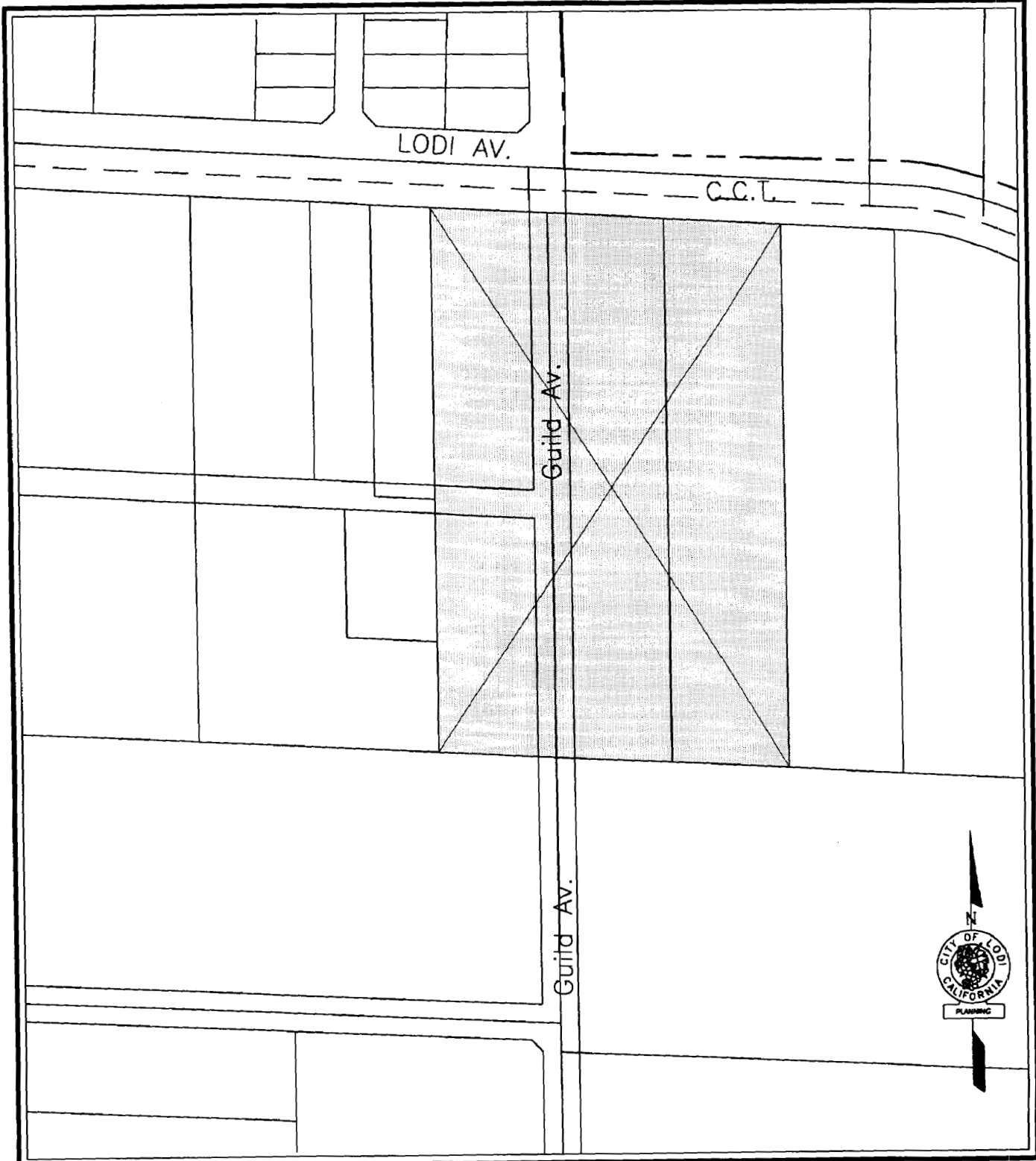
APPROVED:

  
H. Dixon Flynn -- City Manager



COMMUNITY DEVELOPMENT  
DEPARTMENT

PROPERTY ACQUISITION  
1366-1460 EAST LODI AVENUE



RESOLUTION NO. 98-50

A RESOLUTION OF THE LODI CITY COUNCIL  
APPROVING THE PURCHASE OF THREE PARCELS OF  
PROPERTY LOCATED AT 1366-1460 E. LODI AVENUE

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WHEREAS, in October 1997 staff presented the idea to the City Council of purchasing property for future industrial development; and

WHEREAS, staff identified five parcels totaling approximately 40 acres which would create logical development sites that then could be marketed as part of our expanding business attraction program; and

WHEREAS, pursuant to Council direction, staff made offers on the property with appropriate contingencies related to title reports, environmental clearance and appraisals; and

WHEREAS, two of the three property owners accepted the City's offer and the City has entered into escrow on three parcels containing approximately 21 acres in December 1997; and

WHEREAS, the purchase price for the three parcels is \$40,000 per acre, with an additional \$2,000 being paid to the Bank of Stockton for the cost of the Phase 1 Environmental and the cost of the City's share of closing costs.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves the purchase of the three parcels located at 1366-1460 E. Lodi Avenue from the Bank of Stockton, trustee for the Revolving Loan Fund of San Joaquin County and Melva L. Darnell in the amount of \$842,000.

Dated: March 18, 1998

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I hereby certify that Resolution No. 98-50 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 1998, by the following vote:

AYES: COUNCIL MEMBERS - Johnson, Land, Mann, Pennino and Sieglock  
(Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None

  
ALICE M. REIMCHE  
City Clerk